

IMPORTANT NOTICE REGARDING TUFTS HEALTH PLAN of NEW ENGLAND IN LIQUIDATION

Dear Tufts Health Plan of New England Subscriber:

This letter contains important information about the termination of your health coverage with Tufts Health Plan of New England (TNE). On January 3, 2000, at my request, an Order of Liquidation of TNE was issued by the Merrimack County Superior Court. This liquidation order means that TNE coverage will not exist after February 2, 2000. **If you are a TNE subscriber or policyholder, you will need to make arrangements for replacement coverage prior to February 2, 2000.**

If your health coverage is obtained through your employer, your employer may be making arrangements to help you secure replacement coverage. You should consult with your employee benefits office to obtain information regarding the coverage options available to you. Please be aware that these options may not allow you access to the same physicians and other medical providers that you currently have through TNE.

The following Question and Answer portion of this notice has been developed to assist you in understanding how the delivery of your health care will change after February 2, 2000, and what steps you will need to take. In addition, a listing of telephone numbers is included in the responses to various questions.

Q: How long will my Tufts Health Plan of New England (TNE) coverage continue and what options will be available to me?

A: If you are covered through your employer, your coverage with TNE will remain in effect as long as your employer continues to pay required premiums in a timely fashion, but no later than February 2, 2000. If your employer is currently undergoing an open enrollment and other plans are being made available to you, you need to select one of those other plans. If you are not scheduled for an open enrollment prior to February, your employer may be holding a special open enrollment. Details about this program will be communicated through your employer or agent/broker through whom your insurance is provided.

If you have purchased an individual policy through TNE, including a conversion policy, you will need to find other individual coverage. If you obtained your coverage through an agent, discuss with him or her policies offered by other insurers providing individual coverage in your state. Information about other licensed non-group carriers can be obtained from the Insurance Department in your state at the following numbers:

Maine	800-300-5000
New Hampshire	800-852-3416
Rhode Island	401-222-2223

Q: Can I be denied coverage from a new insurer?

A: No, in general you cannot be denied coverage. In Maine, employers with more than 50 employees may be turned down for coverage. Should you experience any difficulty in obtaining coverage, please contact your state insurance department.

Q: Will my rates stay the same?

A: Whether or not the rates change depend on the plan and the carrier selected. Health carriers will utilize their existing rating methodology for new quotes to TNE insureds. The insurance departments are working with the other health insurance carriers to facilitate coverage offerings to TNE policyholders. You should be assured that the departments will be closely monitoring compliance with all existing state and federal laws.

Q: Will TNE contracted providers continue to provide care throughout the period that I continue to have coverage with TNE?

A: Contracts remain in effect with TNE network providers. The Insurance Departments and their agents have and continue to work with network providers to extend their participation through February 2, 2000. Payments continue to be made for services provided by contracted providers since the petition for the Liquidation Order was filed on December 20, 1999. Claims for such services have been given priority under the order to help alleviate provider concerns about payment for continuing to provide covered health care services.

Q: I am in the middle of treatment or have a chronic illness. Will I be subject to a pre-existing condition exclusion?

A: No. State laws prohibit the application of pre-existing condition exclusions for conditions that were covered by your previous insurer. Additional protections are afforded under federal law.

Q: What should I do if my physician refuses to treat me?

A: While we expect that TNE contracted providers will continue to abide by their contracts, should you experience problems with a particular physician or other medical provider, please call TNE's Customer Services at 1-800-462-0224 (for HMO members), 1-800-843-1008 (for POS members) or 1-800-423-8080 (for PPO members). The Customer Service representative will have a Provider Relations representative contact the provider to remind him or her of their obligations under the provider agreement. The Customer Service department will also assist members with urgent clinical needs to obtain necessary care.

Q: Can my provider refuse to treat me unless I pay the full fee prior to services being rendered? Is this permissible?

A: No. All TNE contracted providers are prohibited from billing the subscriber for covered services rendered except for the amount of the copayment, coinsurance or deductible specified in your contract. If you continue to experience problems with obtaining services, please contact a Customer Service representative at 1-800-462-0224 (for HMO members), 1-800-843-1008 (for POS members) or 1-800-423-8080 (for PPO members).

Q: I have received a bill from a provider requesting payment for services. Am I responsible for this bill?

A: No. TNE providers are prohibited by contract from billing the subscriber for covered services other than the copayment, deductible and coinsurance amounts specified in the member contract.

Q: I am covered under TNE's "Point of Service" or POS plan. Will my coverage be affected by the issuance of the liquidation order?

A: If you are covered under TNE's insured POS plan in Maine, your coverage will terminate February 2, 2000. In New Hampshire and Rhode Island your coverage under TNE's POS plan is actually insured through the Allianz Life Insurance Company of North America. The New Hampshire Insurance Department's action has no effect on the continued obligations of Allianz to its policyholders. There may be changes to the provider network and how the program is administered. Any changes affecting these policies will be communicated by Allianz.

If you are covered under a TNE administered POS plan in Maine, NH and RI that is self-insured by your employer, TNE will not administer the plan after February 2, 2000. Your employer may contract with a new administrator or make other arrangements for your coverage.

Q: If I have an unpaid claim for covered services under my TNE policy, what should I do?

A: The New Hampshire Insurance Department is establishing a "Proof of Claim" process for anyone with a claim against TNE. The details of this process will be communicated after February 2. Claimants will have six months to submit their claims along with required documentation. Once submitted claims are reviewed, claimants will be advised of the amount of their claim that is determined to be eligible for payment. Claimants will then have an opportunity to formally dispute those determinations. Actual payment amounts will be established by the Court following a full accounting of TNE's assets and liabilities.

Q: Where can I obtain further updates on Tufts Health Plan of New England's situation?

A: You may contact:

TNE Customer Service	1-800-462-0224 (for HMO members)
	1-800-843-1008 (for POS members)
	1-800-423-8080 (for PPO members)
Maine Bureau of Insurance	1-800-300-5000
New Hampshire Consumer Affairs	1-800-852-3416
Rhode Island Consumer Affairs	1-800-869-5536

In addition, the New Hampshire Insurance Department is using its web site to provide updates and copies of any information sent to subscribers and policyholders. The site is www.state.nh.us/insurance. The Maine Bureau of Insurance is also providing information on its web site at www.maineinsurancereg.org.

Sincerely,



Paula T. Rogers
New Hampshire Insurance Department
Commissioner and Liquidator